

**REPORT OF THE
DEPARTMENT OF DEFENSE

WORKING GROUP ON
AIR TRAFFIC CONTROLLERS

(AUGUST – JANUARY 2001)**

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**Department of Defense
Civilian Personnel Management Service**

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**Report of the Department of Defense (DoD)
Working Group on Air Traffic Controllers**

EXECUTIVE SUMMARY

Introduction

The DoD Air Traffic Controller Working Group (ATCWG) was chartered to investigate current and proposed recruitment and retention flexibilities, and to recommend solutions for departmental consideration. To this end, this joint labor-management working group examined the Federal Aviation Administration (FAA) air traffic controller (ATC) Classification and Compensation System; compared DoD ATC operational environment and working conditions to those in FAA; and identified relative pay disparity between DoD and FAA based on this information.

Objectives and Findings

Public Law 104-50, Section 347, provided authority for the FAA to establish an alternative personnel system not tied to title 5, United States Code. Using this authority, FAA established a classification and pay system that provides substantially higher compensation to these employees. The working group was tasked to examine this system and determine its effect on DoD ATC retention, recruitment and accession rates.

The working group identified air operations characteristics for DoD and FAA, and compared these characteristics, where appropriate, to identify relative pay disparity among the assigned controllers. Finally, the working group identified those losses of ATC employees across DoD, where the employee transferred to FAA. While the percentage of transfers vary among the DoD Components, it is clear that DoD losses to FAA have increased significantly subsequent to implementation of the new FAA classification and compensation authorities. The working group clearly identified that the pay disparity is having a negative effect on DoD recruitment and retention of air traffic controllers.

Summary

After careful review of its findings, the ATCWG determined that these problems could be solved using existing title 5 authorities. On this basis, the working group recommended implementation of the 5 percent premium pay provisions of 5 USC §5546a(a)(1). The Secretary of Defense is considering this proposal at this time. In addition, the Department is working with the Office of Personnel Management on a proposed regulatory change that would allow payment of retention allowances to current employees considering employment with other non-title 5 Federal agencies, such as FAA. These changes separately, or in combination, could have an immediate and positive effect in those areas where the Military Departments are having recruitment and retention problems.

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The ATCWG is continuing consideration of other alternatives such as the use of special salary rates in specific geographic locations similar to the FAA system. Future deliberations of the ATCWG may determine that other statutory or regulatory changes are required. In this event, these changes will be pursued by the working group members and their principals through the appropriate channels and methods.

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INTRODUCTION

Background

An American Federation of Government Employees representative at the April 28, 2000, Presidents' Roundtable, a joint labor-management executive committee, recommended that the Department of Defense (DoD) introduce permanent legislation to grant pay parity between DoD and the Federal Aviation Administration (FAA). It was further recommended that DoD approve nationwide special salary rates for air traffic controllers. On July 20, 2000, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD(CPP)), announced the establishment of a joint labor-management working group to review all current and proposed flexibilities to foster compensation parity between DoD and FAA, and to recommend short and long-term solutions to air traffic controller (ATC) recruitment and retention problems.

The working group considered the language contained in the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 expressing Congress' concern over the difference in pay between the FAA and DoD. The House Report 106-616 summary is as follows:

“CIVILIAN AIR TRAFFIC CONTROLLERS

The committee notes that civilian air traffic controllers who are employed by the Federal Aviation Administration are compensated significantly better than air traffic controllers who are employed by the Department of Defense (DoD). The committee understands that the Department of Transportation and Related Agencies Appropriations Act of 1996 (Public Law 104-50) established a separate personnel system for the Federal Aviation Administration, even though DoD air traffic controllers perform the same work to the same standards. The committee has learned that this disparity of pay has created a difficult recruiting and retention challenge for DoD as the Department strives to maintain safety at military airfields around the world. The committee is disturbed that the Department has known about this problem for some time, but has yet to formulate a solution. The committee directs the Secretary of Defense to determine the best method to solve the Department's recruiting and retention problem for air traffic controllers and report his recommendations accompanied by any necessary legislative changes to the Senate Committee on Armed Services and the House Committee on Armed Services by January 31, 2001.”

Membership

The working group was comprised of representatives from each of the following organizations: the Defense Civilian Personnel Management Service (CPMS); the civilian personnel policy staffs of the Army, Navy, Air Force, and the National Guard Bureau; the

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American Federation of Government Employees (AFGE); the National Federation of Federal Employees (NFFE); the National Air Traffic Controllers Association (NATCA); and the SPORT Air Traffic Controllers Association (SATCO). AFGE, NFFE, NATCA and SATCO designated representatives for the working group. A membership roster is at Appendix A. The Association of Civilian Technicians (ACT); the National Association of Government Employees (NAGE); and the National Maritime Union of America were invited to participate but did not provide representatives. A senior staff member of CPMS chaired the working group.

Charter

The working group was chartered to investigate all current and proposed flexibilities and to recommend solutions to ATC recruitment and retention problems. Initially, the group determined that there was a need to review the demographics of the DoD air traffic controller workforce, and to understand the differences between the FAA ATC and General Schedule (GS) 2152 series classification and compensation systems for controllers. The group reviewed compensation and position data obtained from the FAA, the Defense Civilian Personnel Data System (DCPDS) and the Defense Manpower Data Center (DMDC). Representatives from NATCA provided briefings on the FAA's classification and compensation system. Representatives from AFGE and CPMS Wage and Salary Division provided information on special salary rates. The working group also reviewed the provisions of law that provide for special pay for air traffic controllers such as premium pay under title 5 USC §5546a. Using the findings of the working group and current data, the working group will make recommendations for resolution of identified recruitment and retention problems.

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ISSUES

Statistics

The Federal Government employs approximately 29,000 air traffic controllers to ensure the safe, orderly and expeditious movement of aircraft through the nation's airspace. Approximately 1,000 civilian air traffic controllers are employed by the Department of Defense, where they work alongside more than 6,600 military air traffic controllers managing take-off's and landings, tracking planes in flight and providing airfield ground instructions to all aircraft. The civilian and military air traffic controllers combine to perform unique and critical functions under a wide variety of operational situations and within a large number of organizational structures.

New FAA Classification And Compensation System

The Department of Transportation and Related Agencies Appropriations Act of 1996 (Public Law 104-50) allowed the establishment of a separate personnel system for the Federal Aviation Administration. The FAA used this authority to establish a new classification and compensation system for air traffic controllers that gives the FAA a competitive advantage in recruitment and retention when compared to the compensation that DoD can offer under existing title 5 USC flexibilities. According to June 2000 statistics from the Office of Personnel Management (OPM) Civilian Personnel Data File database, the average annual FAA air traffic controller salary in the United States is \$86,511 compared to the average annual DoD controller salary of \$51,869. However, these dollar amounts do not reflect the agency differences in mission, type of facility, air traffic density and other operational complexity factors.

**Current OPM Classification Standard And Conversion Of High/Low
DoD Representative Locations To FAA ATC Grades**

Currently, Department of Defense civilian air traffic controller grades are based on the application of the current United States Office of Personnel Management Position Classification Standard for Air Traffic Control Series, GS-2152, which was last revised in June 1978. More than one-third of the air traffic controllers are classified as GS-11 (38 percent), with significant numbers also at GS-12 (29 percent), GS-13 (14 percent) and GS-9 (13 percent). The average grade is GS-11 (the average grade in the Army is GS-12), which is above the overall average of DoD employees in General Schedule positions (approximately GS-9).

There is also the current OPM Position Classification Standard for Air Traffic Assistance Series, GS-2154. Positions which are placed in this series involve the performance of work in support of air traffic control (ATC) functions. Additionally, positions in this series require a knowledge of and skill in applying air traffic control

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procedures, but do not require knowledge of aircraft separation standards or the ability to provide pre-flight or in-flight safety or weather briefings. There are approximately 190 air traffic assistants throughout the Department of Defense.

In order to compare current DoD civilian air traffic controller compensation against FAA air traffic controller compensation for equivalent positions, it was decided by the working group that current DoD positions, which represent the highest and lowest ranges of air traffic activity, could be converted from GS grades to equivalent FAA ATC grades as a frame of reference in considering possible alternatives. FAA ATC grades are based on the application of the FAA Position Classification Standard for Air Traffic Control Series ATC - 2152 Terminal and En Route, dated July 10, 1998. FAA ATC grades range from ATC-1 through ATC-12.

The major differences between the OPM and FAA standards are that the FAA standard considers influences of environmental and operational complexity and influence of traffic congestion on complexity which are reflected in an hourly classification index that is linked to eight facility types and measured against traffic range break points to arrive at the appropriate grade levels. FAA facility types for DoD comparisons are listed in order of descending complexity as follows:

- Type 7 - Tower with Radar;
- Type 3 - Combined Terminal Radar Approach Control/Tower;
- Type 2 - Terminal Radar Approach Control; and
- Type 1 - Tower without Radar.

Conversely, the OPM standard considers traffic activity under facilities such as station, terminal, and center, with no specific correlation to operational complexity or traffic congestion on complexity.

The uniqueness of the DoD military mission as compared to the FAA civilian mission precluded us from systematically applying the FAA ATC standard to determine equivalent ATC grade levels. Furthermore, the FAA ATC standard contains facility types and classification factors which are complexly interconnected and do not directly apply to DoD Air Traffic Controller positions or facilities. Our conversions are based on a sampling of the most current and relevant DoD data which is measured against equivalent FAA traffic levels and facilities.

Classification/Compensation

NATCA provided the working group with statistical traffic activity data in descending order for all FAA activities categorized under all facility types. Tables A and G list all sample DoD locations by descending traffic order and identify facility type, current GS grade, former FAA GS grade, converted ATC grade, service, level of traffic activity, and locality percentage, respectively. The converted ATC grades for DoD locations were arrived at by measuring the DoD traffic activity against the traffic ranges listed under tables B, C, D, and E while also considering the former FAA GS grade.

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Table A – Standard Operations Data

Activity	Type	Traffic	DoD Grade	FAA GS Grade	ATC Grade	Service	Level	Locality %
Fort Campbell, KY	3	547,223	GS-12	GS-14	ATC-9	Army	High	6.78%RUS
MCAS Beaufort SC	7	361,577	GS-11	GS-13	ATC-8	Navy	High	6.78%RUS
Fort Hood, TX	3	344,337	GS-12	GS-13	ATC-9	Army	High	6.78%RUS
Fort Drum, NY	3	337,840	GS-12	GS-13	ATC-9	Army	High	6.78%RUS
Fort Rucker, AL	2	268,289	GS-13	GS-13	ATC-8	Army	High	6.78%RUS
Laughlin AFB	2	210,673	GS-12	GS-12	ATC-8	Air Force	High	6.78%RUS
NAS Whidbey, WA	7	203,177	GS-12	GS-12	ATC-8	Navy	High	9.20%
MCAS Yuma, AZ	3	199,526	GS-13	GS-12	ATC-8	Navy	High	6.78%RUS
Fort Sill, OK	2	190,412	GS-12	GS-12	ATC-8	Army	High	6.78%RUS
MCAS Cherry Point, NC	3	182,418	GS-12	GS-12	ATC-8	Navy	High	6.78%RUS
Kapolei, HI	7	172,038	GS-11	GS-12	ATC-7	ANG	High	25% COLA
MCAS, Iwakuni, JA	2	159,774	GS-09	GS-12	ATC-8	Navy	Low	N/A
Hill AFB, UT	3	152,834	GS-12	GS-12	ATC-8	ANG	High	6.78%RUS
Air Force Academy	1	120,196	GS-10	GS-11	ATC-6	Air Force	High	6.78%RUS
Dobbins AFB	3	115,931	GS-11	GS-12	ATC-7	Air Force	High	7.66%
Selfridge ANGB, MI	3	78,650	GS-11	GS-11	ATC-6	ANG	High	7.63%
MCB, Camp Butler JA	7	42,666	GS-10	GS-10	ATC-7	Navy	Low	N/A
Fort Lewis, WA	7	30,670	GS-12	GS-11	ATC-7	Army	Low	9.20%
Eielson AFB, AK	7	29,729	GS-12	GS-11	ATC-7	Air Force	Low	25%COLA
Fort Knox, KY	1	18,603	GS-10	GS-12	ATC-5	Army	Low	6.78%RUS
Springfield, OH	1	18,061	GS-10	GS-11	ATC-5	ANG	Low	7.63%
SPAWAR Systems Ctr, SC*	1	17,692	GS-12	GS-11	ATC-5	Navy	Low	6.78%RUS
China Lake, CA*	2	11,001	GS-12	GS-12	ATC-6	Navy	Low	6.78%RUS
Point Mugu, CA	3	10,844	GS-12	GS-11	ATC-6	Navy	Low	12.76%

* DEMO

Tables B, C, D, and E reflect facility types based on low, high, and median traffic ranges correlated against appropriate ATC grade levels. It should be noted that there are overlapping ranges among equivalent grade levels. To arrive at an equivalent ATC grade, it was necessary to consider the equivalent, former FAA GS grade-level span, and the median traffic for each grade level, at each facility type.

Table B – Facility Type 7, Tower with Radar

Type Facility	ATC Grade	Low Traffic	High Traffic	Median
7	12	817,552	898,855	867,146
7	11	505,049	628,794	524,644
7	10	66,016	520,032	438,987
7	9	48,381	352,225	195,771
7	8	17,818	376,095	212,833
7	7	1,627	248,456	30,673
7	6	3,330	115,299	20,687
7	5	11,594	78,893	45,862

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Table C – Facility Type 3, Combined Terminal Radar Approach Control/Tower

Type Facility	ATC Grade	Low Traffic	High Traffic	Median
3	12	718,945	1,120,172	987,175
3	11	543,730	684,064	599,372
3	10	343,301	576,674	454,955
3	9	247,082	513,328	317,811
3	8	98,322	263,531	174,918
3	7	23,679	213,413	118,207
3	6	9,912	123,250	75,950
3	5	22,630	44,907	33,687

Table D – Facility Type 2, Terminal Radar Approach Control

Type Facility	ATC Grade	Low Traffic	High Traffic	Median
2	12	1,062,007	1,372,870	1,355,376
2	11	622,515	838,759	682,247
2	10	347,962	657,834	555,747
2	9	320,693	399,402	370,155
2	8	140,560	276,256	209,386
2	7	116,304	139,778	128,041
2	6	85,575	85,575	85,575

Table E – Facility Type 1, Tower without Radar

Type Facility	ATC Grade	Low Traffic	High Traffic	Median
1	7	7,104	7,104	7,104
1	6	11,980	31,784	16,918
1	5	8,050	30,194	15,276

Table F shows the breakdown of DoD GS-09 through GS-13 grade levels when converted to equivalent ATC grade levels for the 24 DoD sample “Standard Operations Data” locations (from Table A). It also includes an average which indicates the overall relationship between DoD and ATC grades.

Table F - All Sampled DoD Positions, All Types of Sampled Facilities

DoD Grade	ATC Grades						
	ATC 5	ATC 6	ATC 7	ATC 8	ATC 9	Total	Average
GS 9				1		1	8.0
GS 10	2	1	1			4	5.8
GS 11		1	2	1		4	7.0
GS 12	1	2	2	5	3	13	7.5
GS 13				2		2	8.0
Total	3	4	5	9	3	24	7.2

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The data reflected in Tables G, H, I, J, K, and L replicates Tables A, B, C, D, E, and F, respectively, with the following two exceptions: 1) the FAA data used to determine equivalent ATC grades includes airport operations and, 2) the resultant medians produce a more consistent pattern of results.

Table G – Total Airport Operations Data

Activity	Type	Traffic	DoD Grade	FAA GS Grade	ATC Grade	Service	Level	Locality %
Fort Campbell, KY	3	547,223	GS-12	GS-14	ATC-9	Army	High	6.78%RUS
MCAS Beaufort SC	7	361,577	GS-11	GS-13	ATC-8	Navy	High	6.78%RUS
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Fort Drum, NY	3	337,840	GS-12	GS-13	ATC-8	Army	High	6.78%RUS
Fort Rucker, AL	2	268,289	GS-13	GS-13	ATC-8	Army	High	6.78%RUS
Laughlin AFB	2	210,673	GS-12	GS-12	ATC-8	Air Force	High	6.78%RUS
NAS Whidbey, WA	7	203,177	GS-12	GS-12	ATC-7	Navy	High	9.20%
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Hill AFB, UT	3	152,834	GS-12	GS-12	ATC-7	ANG	High	6.78%RUS
Air Force Academy	1	120,196	GS-10	GS-11	ATC-6	Air Force	High	6.78%RUS
Dobbins AFB	3	115,931	GS-11	GS-12	ATC-6	Air Force	High	7.66%
Selfridge ANGB, MI	3	78,650	GS-11	GS-11	ATC-6	ANG	High	7.63%
MCB, Camp Butler JA	7	42,666	GS-10	GS-10	ATC-5	Navy	Low	N/A
Fort Lewis, WA	7	30,670	GS-12	GS-11	ATC-5	Army	Low	9.20%
Eielson AFB, AK	7	29,729	GS-12	GS-11	ATC-5	Air Force	Low	25%COLA
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China Lake, CA*	2	11,001	GS-12	GS-12	ATC-6	Navy	Low	6.78%RUS
Point Mugu, CA	3	10,844	GS-12	GS-11	ATC-5	Navy	Low	12.76%

* DEMO

Table H – Facility Type 7, Tower with Radar

Type Facility	ATC Grade	Low Traffic	High Traffic	Median
7	12	929,976	1,797,710	1,734,292
7	11	999,933	1,185,999	1,028,946
7	10	570,640	1,291,369	884,260
7	9	387,537	674,744	581,505
7	8	287,845	669,537	453,895
7	7	112,899	435,670	256,103
7	6	128,419	269,464	192,290
7	5	130,601	202,150	169,879

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Table I – Facility Type 3, Combined Terminal Radar Approach Control/Tower

Type Facility	ATC Grade	Low Traffic	High Traffic	Median
3	12	1,178,043	2,015,607	1,510,452
3	11	936,045	1,162,491	1,002,194
3	10	563,320	951,733	826,402
3	9	426,418	675,956	517,001
3	8	195,125	753,127	318,197
3	7	123,767	285,272	219,643
3	6	20,414	191,961	138,416
3	5	70,572	95,290	78,066

Table J – Facility Type 2, Terminal Radar Approach Control

Type Facility	ATC Grade	Low Traffic	High Traffic	Median
2	12	1,062,007	1,372,870	1,355,376
2	11	622,515	838,759	682,247
2	10	347,962	657,834	555,747
2	9	320,693	399,402	370,155
2	8	140,560	276,256	209,386
2	7	116,304	139,778	128,041
2	6	85,575	85,575	85,575

Table K – Facility Type 1, Tower without Radar

Type Facility	ATC Grade	Low Traffic	High Traffic	Median
1	7	361,948	361,948	361,948
1	6	29,010	264,450	251,742
1	5	137,676	316,556	171,364

Table L shows the breakdown of DoD GS-09 through GS-13 grade levels when converted to equivalent ATC grade levels for the 24 DoD sample “Total Airport Operations Data” locations (from Table G).

Table L - All DoD Positions, All Types of Facilities

DoD Grade	ATC Grades					Total	Average
	ATC 5	ATC 6	ATC 7	ATC 8	ATC 9		
GS 9				1		1	8.0
GS 10	3	1				4	5.3
GS 11		3		1		4	6.5
GS 12	4	1	3	4	1	13	6.8
GS 13				2		2	8.0
Total	7	5	3	8	1	24	6.6

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When DoD air traffic controllers are compared with FAA controllers, a conversion pattern becomes evident, particularly when Airport Operations are included. On average, DoD grades at GS-10 through GS-13, convert to ATC grades 5 through 8, respectively. In concert with this pattern, GS-09 grades would equate to ATC grade 4.

The following tables (Tables M, N, and O) provide a comparison of the minimum and maximum rates of basic pay for FAA ATC and General Schedule grades. Without consideration of any other criteria other than the flight data provided by DoD facilities and the FAA, these patterns show a pay disparity ranging from 3 percent to 21 percent at the lower end of the respective grade and 11 percent to 30 percent at the high end of the respective grade. Any attempt to correct the pay disparity through the use of Special Salary Rates must consider that the FAA has incorporated a 40 percent range for each grade level, while the GS grades are restricted to a 30 percent range. Failure to consider this aspect of the pay disparity will result in retention problems for senior DoD ATCs who have worked their way toward the top of the full performance grade level.

Table M – ATC Grades

ATC Grade Oct. 8, 2000 FAA Pay Schedule Final Band		
	<u>Minimum</u>	<u>Maximum</u>
ATC-3	\$36,231	\$50,724
ATC-4	\$38,677	\$54,148
ATC-5	\$43,898	\$61,457
ATC-6	\$48,508	\$67,911
ATC-7	\$53,601	\$75,041
ATC-8	\$59,229	\$82,921
ATC-9	\$65,447	\$91,626
ATC-10	\$75,264	\$105,370
ATC-11	\$79,216	\$110,902
ATC-12	\$83,177	\$116,448
ATC-13	\$87,336	\$122,270
ATC-14	\$91,704	\$128,386

Table N - General Schedule Grades

2001 General Schedule		
	<u>Minimum</u>	<u>Maximum</u>
GS-9	\$33,254	\$43,226
GS-10	\$36,621	\$47,610
GS-11	\$40,236	\$52,305
GS-12	\$48,223	\$62,686
GS-13	\$57,345	\$74,553

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Table O – Percentage Difference between DoD GS Grade and FAA Grade

ATC vs GS Minimum Maximum

4 vs 9	16%	25%
5 vs 10	20%	29%
6 vs 11	21%	30%
7 vs 12	11%	20%
8 vs 13	3%	11%

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FINDINGS

There are approximately 1,000 DoD air traffic controllers in the GS-2152 series as of November 2000 (data source: DCPDS). Table P provides a breakout by grade: 339 controllers are in the Air Force, 277 are in the Army, Navy has 164, and there are 133 controllers in the Air National Guard.

Table P - DoD Air Traffic Controllers by Grade and Component (in Pay Status)

Agency	Grade								Total
	7	9	10	11	12	13	14	15	
Air Force		38	15	158	85	34	9		339
Army		27	11	64	105	62	7	1	277
Navy	1	34	11	36	60	21	1		164
National Guard	1	23	4	85	11	9			133
Total	2	122	41	343	261	126	17	1	913

The working group reviewed the DoD air traffic controller losses for Fiscal Years (FY) 1999 and 2000. Information for this analysis was provided by DMDC. The losses include retirements, separations, transfers out of DoD and losses with no transaction record. In FY 2000, the loss rate remained relatively constant compared to FY 1999. However, the transfers out of DoD almost doubled in FY 2000 with 36 controllers leaving for FAA jobs as compared to 20 controllers transferred to FAA in FY 1999.

Based on the statistics in Table Q (page 12), the average monthly transfer rate for DoD air traffic controllers is three times higher than the rate for all Department-wide positions [the DoD controller transfer rate is 0.36 percent (*36 “DoD transfers” divided by 11 months = 3.27 divided by 913 (total DoD controllers) = .36 percent*); the “all DoD positions” transfer rate is 0.12 percent]. (Statistics are from the OPM Federal Civilian Workforce Statistics, Employment Trends, as of July 2000, Table 22, and DMDC.) Also, at the average DoD air traffic controller grade, GS-11, the average monthly transfer rate for DoD controllers is five times higher than the rate for all DoD positions [GS-11 DoD controllers transfer rate is 0.69 percent (*26 GS-11 “transfers” divided by 11 months = 2.36 divided by 343 (total GS-11 controllers) = .69 percent*); the “all GS-11 DoD positions” is 0.12 percent].

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Table Q - DoD Air Traffic Controller Losses for Fiscal Years 1999 and 2000

FY 1999 (Oct 1998 - Sep 1999)								
	Army		Navy		Air Force		Total ATC	
	Number	%	Number	%	Number	%	Number	%
Retirement	7	25	11	61.2	9	16.6	27	27%
Separations	5	17.9	2	11.1	10	18.5	17	17%
Transfer out of DoD	9	32.1	3	16.6	8	14.9	20	20%
Losses with no Trans. Rec.	7	25	2	11.1	27	50	36	36%
Total	28	100	18	100	54	100	100	100%
FY 2000 (through Aug 2000)								
	Army		Navy		Air Force		Total ATC	
	Number	%	Number	%	Number	%	Number	%
Retirement	7	25.9	2	13.3	4	10.3	13	16%
Separations	3	11.1	4	26.7	6	15.4	13	16%
Transfer out of DoD	14	51.9	3	20	19	48.7	36	44.4%
Losses with no Trans. Rec.	3	11.1	6	40	10	25.6	19	23.5%
Total	27	100	15	100	39	100	81	100%

Of particular note, 19 air traffic controllers transferred out of the Air Force and 14 controllers transferred out of Army in FY 2000. According to employee representatives, higher FAA pay was the most significant factor causing these losses.

DoD air traffic controllers are located in 18 different locality areas and in various overseas locations including Germany, Japan, Korea and the United Kingdom. Table R details the number of controllers by grade and locality area. Almost 10 percent of the DoD controllers work in the highest locality pay areas; San Francisco (15.01 percent), Los Angeles (12.76 percent) and New York (12.09 percent). However, 63 percent work in the "Rest of U.S." (6.78 percent) locality area. (These locality percentages are from the 2000 salary tables.) The dissimilarity among the locality areas and the percentages of locality pay, complicate the effort to close the pay gap between the FAA and DoD controllers.

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Table R - DoD Air Traffic Controller Grades by Locality Area

Locality Area	Grades								Total	Locality	% ATCs in Locality
	7	9	10	11	12	13	14	15			
SF				3	7	1			11	15.01%	1%
LA	1	3		25	32	7	1		69	12.76%	8%
NY		1		3					4	12.09%	0%
DET				14	3	1			18	11.64%	2%
BOS				9		1			10	10.72%	1%
DEN			2		1	1			4	10.54%	0%
SD		1	3	4	12	6			26	9.97%	3%
MFL				10	6	1			17	9.80%	2%
PHL					2				2	9.55%	0%
CIN		2		2					4	9.52%	0%
SEA					3	2			5	9.20%	1%
DCB		5		15	9	9	1		39	9.05%	4%
DFW				1					1	8.59%	0%
ATL				19	3	2			24	7.66%	3%
DAY		9	3	3			2		17	7.63%	2%
HNT			4	1	1	2	1		9	7.22%	1%
STL					3				3	7.08%	0%
RUS	1	93	21	196	167	89	10	1	578	6.78%	63%
OCONUS		8	8	38	12	4	2		72	0.00%	8%
Total	2	122	41	343	261	126	17	1	913		

The locality area dissimilarity creates difficulties in establishing a DoD air traffic controller special salary rate (SSR). The working group discussed the possibility of requesting a special salary rate for air traffic controllers. (Title 5 USC §5305 is the authority for the SSR.)

The criteria for establishing a special salary rate found in Title 5 Code of Federal Regulations, Section 530.303, requires an agency to show a recruitment or retention problem, or potential recruitment or retention problem, caused by significantly higher pay rates than those payable to a particular group of employees within the area, location, or occupational group involved. OPM may establish special rates for nearly any category of employee by series, specialty, grade and/or geographic area.

An example of the degree of difficulty in developing a nationwide SSR for air traffic controllers is the special salary rates established for certain Information

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Technology (IT) workers. The new IT special rates cover three different IT series and have six IT special salary rate schedules, each covering a group or "cluster" of geographic areas." A similar provision should be considered if special salary rates are applied to ATCs throughout DoD.

Table S (page 15) is an example of how a typical special salary rate is constructed. In this example, 4 steps (\$1,565 each) were added to each grade of the existing basic GS rate. This provides a consistent increase over the basic GS rate range, but an inconsistent increase when compared to the RUS locality rate of pay. Specifically, the ATC at GS-12, step 1, will receive a 6.1 percent pay increase while the ATC at GS-12, step 10, will receive only a 3.3 percent increase in pay. This table clearly shows that, when compared to the Locality Rate for GS-12, the SSR is approximately \$3,000 higher at Step 1 versus \$2,000 at Step 10.

A Model For Constructing A Special Salary Rate Plan

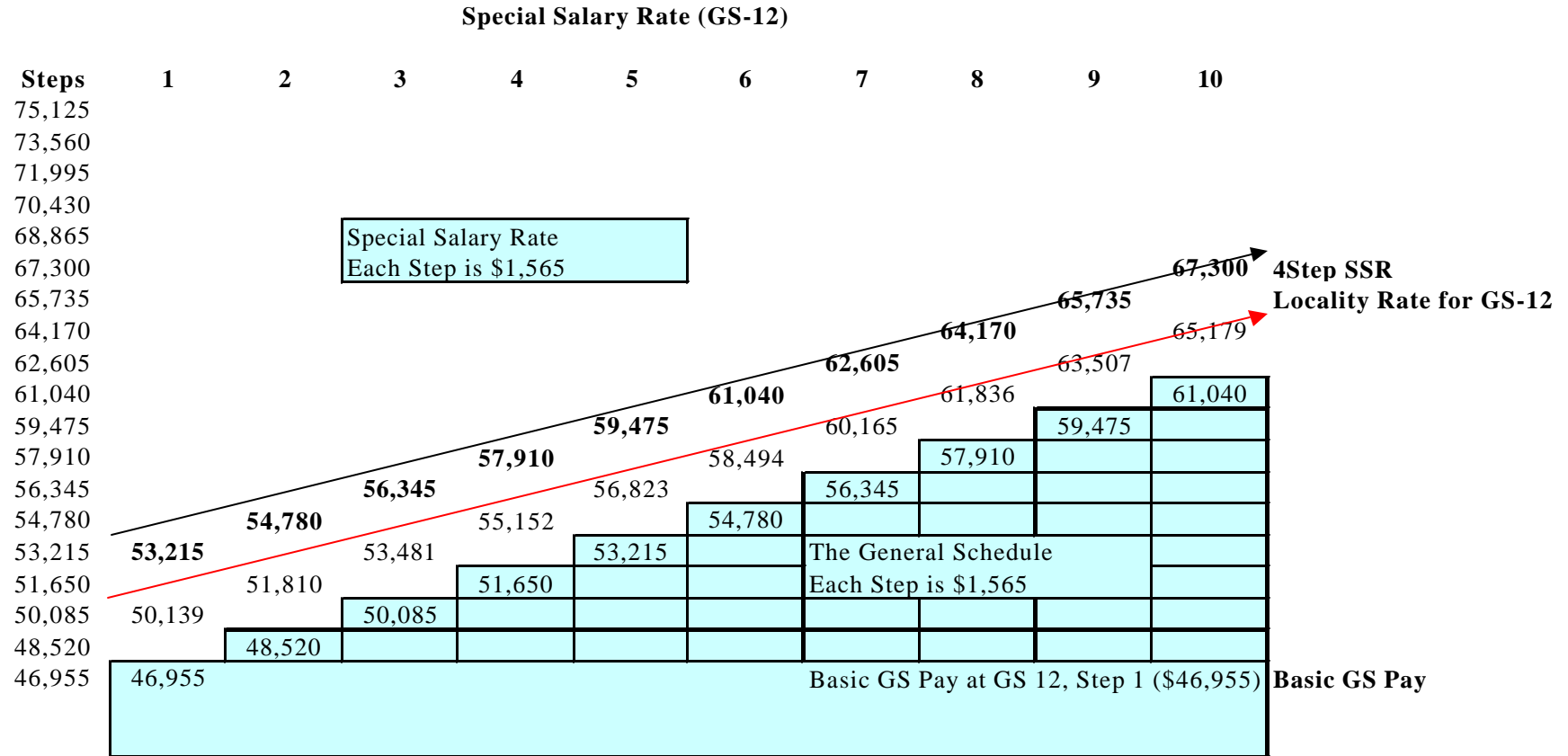
The group reviewed a model for constructing a special salary rate plan for DoD air traffic controllers which would address not only recruitment and retention problems but also compensation parity with FAA rate ranges (see Table T on page 16).

The SSR model is a special salary rate derived from a 2000 General Schedule salary table with the exact same GS-12, step 1 rate, \$53,215 (4 steps added to the step 1 rate). The major difference between Table S and T is that in Table T each step is now \$2,365; this, in effect, increases the normal General Schedule grade range from 30 percent to 40 percent, and matches the FAA grade range. This ATC SSR provides the same increase over the RUS locality rate at step 1 as Table S, but the size of the increase from steps 2 through 10 increases, rather than decreases, as in a normal SSR. For clarity, the October 8, 2000, ATC-7 rate increase for RUS has been added, and it is apparent that the rates are parallel throughout the grade.

Though not quite achieving pay parity with the FAA ATC-7/RUS pay rate, the ATC SSR would significantly close the gap. The working group agrees that such a special salary rate would reduce the number of DoD controller transfers to the FAA. It should be noted that this is a significant departure from the normal structure of special salary rates, and consultation with OPM would be required. Likewise, a statutory or regulatory change may be required to implement such rates. This would provide DoD an effective tool for competing with Federal agencies that are not restricted by the provisions of title 5 USC.

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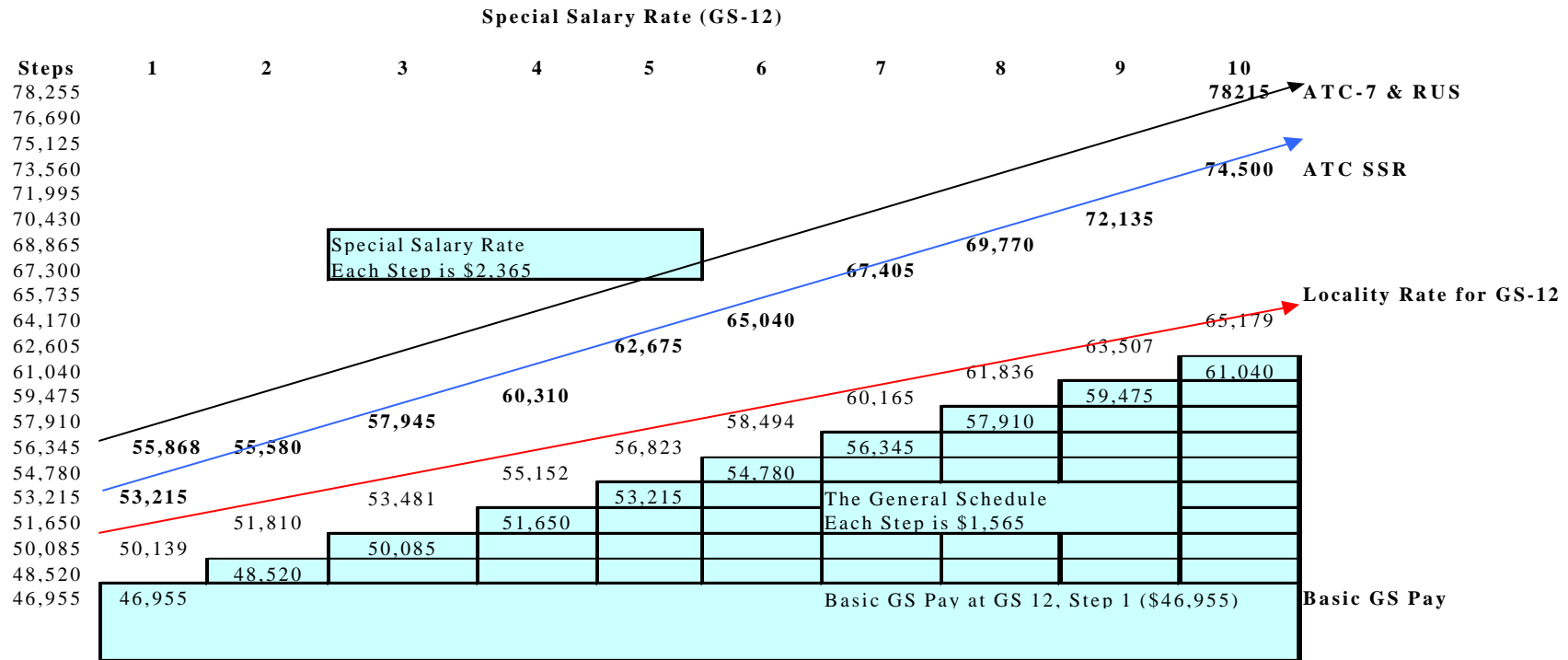
Table S – Construction of Special Salary Rate



Step s	1	2	3	4	5	6	7	8	9	10
GS12 =	46,955	48,520	50,085	51,650	53,215	54,780	56,345	57,910	59,475	61,040
Locality Pay =	50,139	51,810	53,481	55,152	56,823	58,494	60,165	61,836	63,507	65,179
4Step SSR=	53,215	54,780	56,345	57,910	59,475	61,040	62,605	64,170	65,735	67,300
Percent Increase for										
4Step SSR=	6.1%	5.7%	5.4%	5.0%	4.7%	4.4%	4.1%	3.8%	3.5%	3.3%

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Table T – Construction of Air Traffic Controller Special Salary Rate



Step one is stepped up 4 steps= 53,215
 A 40 Percent Range = 21,286
 Each step (21,286/9) = 2,365

Step s	1	2	3	4	5	6	7	8	9	10
GS12 =	46,955	48,520	50,085	51,650	53,215	54,780	56,345	57,910	59,475	61,040
Locality Pay =	50,139	51,810	53,481	55,152	56,823	58,494	60,165	61,836	63,507	65,179
4Step SSR=	53,215	54,780	56,345	57,910	59,475	61,040	62,605	64,170	65,735	67,300
ATC SSR=	53,215	55,580	57,945	60,310	62,675	65,040	67,405	69,770	72,135	74,500

Percent Increase for

4Step SSR=	6.1%	5.7%	5.4%	5.0%	4.7%	4.4%	4.1%	3.8%	3.5%	3.3%
ATC SSR=	6.1%	7.3%	8.3%	9.4%	10.3%	11.2%	12.0%	12.8%	13.6%	14.3%

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Special Salary Rates and Other Possible Solutions

The working group also reviewed an AFGE special salary rate model (see Appendix B). The implications of its use were discussed. The SSR could provide an across-the-board increase for all DoD controllers with higher rates in critical locations. A CPMS representative stressed that the problem or potential problem must be supported by specific data, including loss rates by location, grade, age, and salary.

It was discussed that any SSR could be expedited through the CPMS Wage and Salary Division to OPM for approval. Group members also addressed retention concerns at specific locations and the need for rapid action. Retention allowances and group retention allowances were also discussed.

The working group determined that another possible short-term solution was to authorize 5 percent premium pay for air traffic controllers. Under title 5 USC §5546a, the Secretary of Defense may authorize premium pay at the rate of 5 percent of the applicable rate of basic pay to air traffic controllers in the grade of GS-9, and above, who work in an air traffic control center or terminal, or in a flight service station. The air traffic controllers at Marine Corps Air Station, Cherry Point, North Carolina, are the only controllers in the Department of Defense who are currently receiving premium pay. The working group recommended implementation of the 5 percent premium pay provisions of 5 USC §5546a(a)(1). The Military Departments have subsequently requested that the Secretary of Defense implement the provisions of title 5 USC §5546a(a)(1) and authorize 5 percent premium pay for air traffic control employees. That authorization is currently in coordination within the Department.

The ATCWG discussed the use of alternative work schedules as a retention incentive. A few members felt that DoD is able to offer better work schedules than FAA which has a positive affect on ATC retention.

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DoD Component Comments and Concerns

Specific Army, Navy and Air Force comments follow:

Army

The recommendations proposed by the ATCWG are being actively reviewed by Army to determine the best method to solve ATC recruitment and retention problems.

Navy

The Navy expressed concern about the possible negative effect on military members who perform ATC functions by effecting higher across-the-board civilian ATC pay. Department of the Navy military personnel perform the bulk of actual air traffic control. Civilian controllers are more often assigned to flight service stations providing a variety of weather, navigational, and other information to assist pilots in planning a safe flight. Higher pay for this less complicated work could serve as an incentive for military members to leave and enter civilian positions. This could have a devastating effect within the Navy. Finally, while isolated cases exist, Navy reported no widespread recruitment or retention problems.

Air Force

The Air Force does not have a widespread concern with recruitment and retention of ATCs. Current certificates of eligibles for Air Force ATC positions normally contain 12-100 names, and the overall retention rate within the Air Force is 89-94 percent. While there may be individual locations where an SSR would help with recruitment and retention, an across-the-board SSR is not indicated at this time. The Air Force also is currently pursuing a regulatory change to offer retention allowances to employees who are considering leaving the workforce for employment in another Federal agency with pay authorities not tied to title 5, USC. This change will have a significant effect on the areas where Air Force has difficulties in recruitment and retention.

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LABOR REPRESENTATIVES VIEWS (VERBATIM)

The labor members recommend that as an interim solution the Department of Defense request the Office of Personnel Management to institute nationwide special salary rates for all DoD air traffic controllers. Barring any regulatory hurdles, the labor representatives further recommend that the special salary rates increase base salaries by 40 percent rather than by 30 percent. Labor members believe that the current pay disparities between the FAA air traffic controllers (\$86,511 annually) versus the Department of Defense (\$51,869 annually) support such a recommendation. While this will not achieve immediate pay parity, the labor representatives believe that the implementation of these special rates will begin to slow the exodus of DoD air traffic controllers from the system. Additionally, it will dramatically improve morale, productivity, and safety throughout the system. Finally, the labor members believe it is imperative that DoD formally submits such a recommendation to OPM no later than February 1, 2001.

As a long-term solution, the labor representatives believe that legislation should be enacted that will enable pay parity to be achieved on a permanent basis. Based on current payroll, the labor members estimate that raising the DoD controller salaries to parity with the FAA will cost between an additional \$10 to \$15 million per fiscal year. The labor organizations are prepared to work with both Congress and the Department of Defense in drafting such legislation. The labor representatives believe such legislation should be passed and enacted no later than January 2002.

Section 5392 of the Federal Employees Act of 1990 authorizes the President's Pay Agent to establish one or more special occupational pay systems for any positions within occupations or groups of occupations that the Pay Agent determines should not be classified under Chapter 51 of title 5 USC. The labor representatives are prepared to further discuss the use of this pay flexibility as a sequential step between special pay rate authorizations and permanent legislation. Again, the labor organizations are prepared to meet with the Department of Defense and/or OPM to further discuss the feasibility of pursuing this flexibility.

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CONCLUSIONS

The working group was able to successfully review and quantify the scope of the DoD ATC recruitment and retention problems. Though ATC losses remain relatively stable at around 8 percent, the losses to the FAA appear to have increased significantly since the FAA ATCs began receiving increased pay based on FAA's new classification and compensation authorities. In terms of real losses and in terms of the overall transfer percentage, the number of DoD ATCs leaving for FAA appears to have doubled between Fiscal Years 1999 and 2000. Even more dramatic losses were discussed at locations such as Fort Rucker, where the situation appears more severe.

The working group was able to gain an in-depth understanding of the FAA classification and compensation system. That understanding included an analysis of the FAA classification criteria and associated traffic monitoring requirements. Differences between the FAA and DoD missions and types of facilities make simple application of the FAA system to DoD ATCs impractical. The working group was able to equate DoD and FAA ATC positions through analysis of operations data.

The working group was also able to develop a special salary rate schedule template that could be used to address DoD recruitment and retention problems, and provide compensation benefits that are parallel to those provided by FAA. The group was not able to reach consensus on the specific coverage of the special salary rates or the size(s) of the increases required based on the recruitment and retention data. Further, at a minimum, consultation with OPM would be required to receive approval of this type of special rate schedule.

Finally, the group agreed, in principle, that authorizing the 5 percent premium pay under title 5 USC §5546a, would provide a near-term, partial solution to recruitment and retention problems. The Secretary of Defense is considering an across-the-board payment of the 5 percent premium pay to DoD controllers in accordance with title 5 USC §5546a(a)(1).

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APPENDIX A

**Members
DoD Air Traffic Controller Working Group**

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APPENDIX B

AFGE Proposed Special Salary Rates (SSR)

Short-Term Solution

Special Salary Rates

1. 20% to 30% of base pay.
2. GS 2152'S currently engaged in separation and control of aircraft.
3. These SSRs continue until long-term solution has been achieved.

Long-Term Solution

Special salary rates equal to FAA Air Traffic Controllers.

5 USC 5305, Executive Order 12748 delegates to OPM the President's authority to establish SSRs.

Amend PL 96-347 to read:

“Amend Title 5, United States code to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as Air Traffic Controllers of the Department of Transportation for purposes of retirement, compensation (pay), and for other purposes.”

Proposed DoD ATC SSR

ATC Pay Band With RUS

	MIN	MAX			MIN	MAX
GS-9	\$44,948.00	\$58,429.00		ATC-5	\$46,874.00	\$65,632.00
GS-10	\$49,499.00	\$64,353.00		ATC-6	\$51,797.00	\$72,515.00
GS-11	\$54,384.00	\$70,701.00		ATC-7	\$57,235.00	\$80,129.00
GS-12	\$62,673.00	\$84,733.00		ATC-8	\$63,245.00	\$88,543.00
GS-13	\$69,163.00	\$96,884.00		ATC-9	\$69,884.00	\$97,838.00
GS-14	\$80,321.00	\$111,739.00		ATC-10	\$80,367.00	\$112,514.00

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Note: GS-9 Thru GS-11 = 30%

GS-12 = Step 01 @ 25% & Step 10 @ 30%

GS-13 = Step 01 @ 16% & Step 10 @ 25%

GS-14 = Step 01 @ 14% & Step 10 @ 22%

2000 General Schedule Locality Rates of Pay for Rest of U.S.

ATC Pay Bands, Effective October 8, 2000

CPC-Certified Professional Controller

MSS-1 Staff Positions

MSS-2 First Line Supervisors

MSS-3 Second Line Supervisors

MSS-4 Facility Manager

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ATC Pay Bands, effective October 8, 2000

Career Level and Code		ATC Level and Code									
		Cx 3	Dx 4	Ex 5	Fx 6	Gx 7	Hx 8	Ix 9	Jx 10	Kx 11	Lx 12
MSS4	xL	47,431	50,632	57,466	63,501	70,169	77,536	85,676	98,527	103,701	108,886
		56,917	60,758	68,959	76,201	84,203	93,043	102,811	118,232	124,441	130,663
MSS3	xK	44,445	47,444	53,848	59,503	65,751	72,654	80,282	92,324	97,172	102,030
		55,556	59,305	67,310	74,379	82,189	90,818	100,353	115,405	121,465	127,538
MSS2	xJ	41,588	44,394	50,387	55,679	61,525	67,985	75,122	86,390	90,926	95,473
		54,064	57,712	65,503	72,383	79,983	88,381	97,659	112,307	118,204	124,115
MSS1	xI	36,232	38,677	43,898	48,508	53,601	59,229	65,447	75,264	79,216	83,177
		50,725	54,148	61,457	67,911	75,041	82,921	91,626	105,370	110,902	116,448
CPC	xH	36,232	38,677	43,898	48,508	53,601	59,229	65,447	75,264	79,216	83,177
		50,725	54,148	61,457	67,911	75,041	82,921	91,626	105,370	110,902	116,448
D3	xG	30,797	32,875	37,313	41,232	45,561	50,345	55,630	63,974	67,334	70,700
		43,116	46,025	52,238	57,725	63,785	70,483	77,882	89,564	94,268	98,980
D2	xF	25,362	27,074	30,729	33,956	37,521	41,460	45,813	52,685	55,451	58,224
		35,507	37,904	43,021	47,538	52,529	58,044	64,138	73,759	77,631	81,514
D1	xD	19,928	21,272	24,144	26,679	29,481	32,576	35,996	41,395	43,569	45,747
		27,899	29,781	33,802	37,351	41,273	45,606	50,394	57,953	60,997	64,046
AG	xC	30,797	30,797	30,797	30,797	30,797	30,797	30,797	30,797	30,797	30,797
		43,116	43,116	43,116	43,116	43,116	43,116	43,116	43,116	43,116	43,116
NB	AB	27,174									
		27,174									
NA	AA	21,739									
		21,739									

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AFGE Proposed SSR

**GS FACILITIES CONVERTED TO
ATC FACILITIES**

<u>GS11</u>	<u>ATC5</u>	<u>ATC6</u>	<u>ATC7</u>	<u>ATC8</u>
96	15	37	41	3
(1.041%)	15.61%	38.51%	42.68%	3.12%

<u>GS12</u>	<u>ATC6</u>	<u>ATC7</u>	<u>ATC8</u>	<u>ATC9</u>
108	9	56	44	8
(.9259%)	8.33%	47.00%	37.00%	8.00%

<u>GS13</u>	<u>ATC8</u>	<u>ATC9</u>	<u>ATC10</u>	<u>ATC11</u>
43	5	25	12	1
(2.3255%)	11.62%	58.13%	27.90%	2.32%

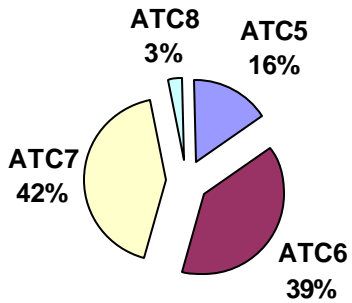
<u>GS14</u>	<u>ATC9</u>	<u>ATC10</u>	<u>ATC11</u>	<u>ATC12</u>
61	2	14	27	18
(1.6393%)	3.27%	22.95%	44.26%	29.50%

Totals on Facilities	ATC5	ATC6	ATC7	ATC8	ATC9	ATC10	ATC11	ATC12
313	15	46	97	52	31	26	28	18
	4.79%	14.69%	30.98%	16.60%	9.90%	8.30%	8.94%	5.74%

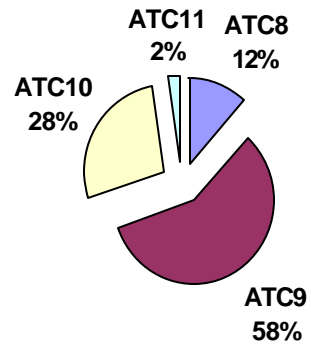
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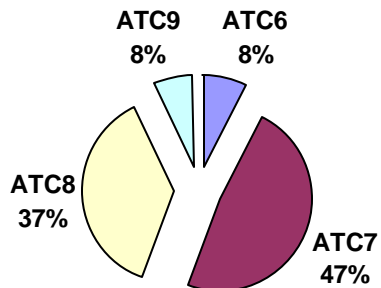
GS11 Facilities



GS13 Facilities



GS12 Facilities



GS14 Facilities

